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ABSTRACT

This selected bibliography focuses on property tax exemptions in urban areas and on the ability of cities to generate property tax revenues. It begins with a review of some relationships between the property tax and land use planning. Then, the role of the property tax as one of several devices employed in fiscally-oriented planning is examined. The third section surveys references providing a background to the real property tax exemption. The fourth section examines aspects of the property tax exemption debate, especially the notion that exemptions place a financial burden on the community. The last section lists useful bibliographies for those who wish to pursue the subject. All citations are annotated. Each section of the bibliography is prefaced with the author's comments on the topic under consideration. (Author/DN)

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# THE EXAMINATION OF REAL PROPERTY TAX EXEMPTIONS:
## An Example of Land Use Planning for Fiscal Gain

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# THE EXAMINATION OF REAL PROPERTY TAX EXEMPTIONS: AN EXAMPLE OF LAND USE PLANNING FOR FISCAL GAIN

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Introduction

Among the many complex problems that beset urban America few appear to be more intractible of solution than the serious fiscal plight of American cities and metropolitan areas. In their exhaustive search for relief from fiscal pressures public officials and citizen taxpayer groups have given increasing attention to a set of fiscally-oriented land use policies which, collectively, are called fiscal mercantilism. Employing land use controls and eminent domain for the manipulation of land uses public officials have attempted to increase the municipal property tax base. More recently tax exempt real property has become an object of interest to those who would engage in fiscal mercantilism.

Surprisingly, little substantive information dealing with tax exempt real property has been assembled for analytical purposes. This dearth of information makes it extremely difficult to cut through the mass of rhetoric that envelops the real property tax exemption debate. Does tax exempt property place a financial burden upon a community? There is a conventional wisdom that states that tax exempt property constrains the tax base of a community by removing land, potentially taxable, from the rolls. In addition tax exempt property does not generate tax revenues but instead produces direct and indirect service costs for the municipality. It follows that these costs can be minimized by pursuing fiscally-oriented land use policies that regulate the location and amount of tax exempt property in communities.

This bibliography is, in part, a product of the author's Ph.D. dissertation research. The narrowly focused dissertation attempted to determine the statistical relationship between levels of exemptions in New York State cities and the ability of these cities to generate property tax revenues. However, this bibliography treats property tax exemptions in a broader context. First, some relationships between the property tax and land use planning are reviewed. Then, the present role of the property tax as one of several devices employed

in fiscally-oriented planning is examined. The third section surveys references providing a background to the real property tax exemption. The fourth section examines aspects of the property tax exemption debate; especially the notion that exemptions place a financial burden upon the community. The last section lists other useful bibliographies for those who wish to pursue this subject farther.

This is a selected bibliography. A good deal of the exemption literature is unpublished in mimeographed form and thus is difficult to obtain. Only the most pertinent of this material known to the author is included here. Some additional material deficient in substance and produced for propaganda purposes has been ignored. All citations are annotated. A few references, because of their broader importance, are cited more than once and are preceeded by an asterisk. After their initial appearance the more familiar journal titles are abbreviated.

I. The Property Tax: A Planning Tool?

In seeking to implement land use development policies planners have focused traditionally upon the police power a d eminent domain. The third member of the trinity of public powers - the power to tax - has been ignored for the most part as a useful implement for shaping and reshaping the urban environment.

Most forms of taxation have considerable influence, directly or indirectly, upon the use of land. This can be easily demonstrated for the real property tax.

Abrams, Charles. "Opportunities in Taxation for Achieving Planning Purposes." Planning. Chicago: American Society of Planning Officials, 1966.

This thought - provoking article challenges planners to employ the tax power as an incentive to proper development and as a control for abuse of land.

Borries, Hans - Wilkin von. "Local Finance and Community Development." Journal of the American Institute of Planners, XXX (February, 1964), 34-45.

In a comparative study of local finance in California and the Federal Republic of Germany the author demonstrates that local tax policies are often in conflict with planning programs. He recommends increased coordination between fiscal planning and land use planning for the purpose of achieving planning objectives.

Browning, Clyde. "Opening Pandora's Box: The Property Tax and Planning." Proceedings of the 1964 Annual Conference, American Institute of Planners, 168-174.

Professor Browning attempts to stimulate interest among planners in "...taxation as a variable in the planning equation...." He reviews a number of property tax problems that are pertinent to planning including property taxation as a stimulant or depressant of development, intermunicipal tax disparities, and the burden of property tax exemptions. He concludes by speculating upon the planners' reluctance to fully explore the relationship between taxation and urban development.

Buttenheim, Harold S. "Taxation as an Aid of Handicap to Rational Urban Land Policies." Urban Planning and Land Use Policies. Washington, D.C.: National Resources Committee, 1939.

This comprehensive review of the impact of taxation upon land use is as relevant for today's planning as it was for land use development prior to World War II.

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Gaffney, Mason. "Land Planning and the Property Tax." J.A.I.P., XXXV (May 1969), 178-183.

If they wish to influence private land owners, land planners are urged to become tax planners as well. The argument for a property tax system that taxes land value rather than the combined value of land and improvements is supported by a number of practical examples.

*Heilbrun, James. Real Estate Taxes and Urban Housing. New York: Columbia University Press, 1966.

The main purpose of this text is to examine the impact of real estate taxes on the quality of urban housing. An analytical framework is developed for evaluating alternative forms of the property tax and one form is selected according to its ability to satisfy a set of ten criteria. It is concluded that considerable improvement in housing quality could be attained through reform of real estate taxes.

*Jensen, Jens. Property Taxation in the U. S. Chicago: University of Chicago Press, 1931.

While is does not deal solely with the relationship between the property tax and land use it remains, today, the definitive statement on the property tax in America. For this reason it is the point of departure for anyone wishing to study the property tax.

*Netzer, Dick. Economics of the Property Tax. Washington, D.C.: Brookings Institute, 1966.

A comprehensive analysis of the economics of the property tax, this text evaluates the tax as a revenue producer and molder of the human environment. It can be used together with Jensen's text as an excellent introduction to the subject.

Pickard, Jerome P. Taxation and Land Use in Metropolitan and Urban America. (Research Monograph 12.) Washington, D.C.: Urban Land Institute, 1966.

This is a progress report on the findings of the Institute's Research-Conference Program section dealing with the impact of taxation upon urban land use. The reader is directed to other monographs in this series.

U. S. Congress. Joint Economic Committee. Impact of The Property Tax: Its Economic Implications for Urban Problems, by Dick Netzer. Joint Committee Print, Study Paper 1. Washington, D.C.: Government Printing Office, 1968.

Originally prepared for the National Commission on Urban Problems, this study focuses upon the effect of local tax policies upon land and property costs and incentives to develop, maintain, and redevelop residential land. It is concluded that the property tax acts as a deterrent to the construction and maintenance of housing with its effects being felt particularly by low-income renters.

Walker, Mabel. "Some Tax Impacts on Planning." Tax Policy, XXXII (September 1965), 3-12.

This article explores some of the diverse interrelationships between taxation and planning including the impact of taxation upon housing, industrial location and development, transportation, and recreation and open space. Planners are cautioned against viewing tax reform as the solution to planning ills. It is suggested that taxation will continue to be evaluated by tax experts according to non-planning criteria.

## II. Planning for Fiscal Gain

For many years local public officials have been aware of the close interrelationship of fiscal planning and land use planning. Employing implementing tools of planning - zoning, subdivision control and eminent domain - community leaders have influenced land use development for the purpose of increasing the community's per capita assessed valuation. Fiscal zoning, the most common example of planning for fiscal gain, has become a common practice of middle and upper income suburban communities. Carefully drafted zoning and subdivision regulations attract tax base and repel high cost families by holding development space for clean industry and large-lot, middle income families. Central city business interests have interpreted the urban redevelopment program as a means of bolstering the community tax base by developing the Central Business District as a successful alternative to the suburban shopping center and by replacing low tax yield slums with middle and upper income high rise apartments in an attempt to halt or reverse migration to the suburbs.

In planning for fiscal gain the tax power is being employed with increasing frequency. Because of state constitutional limitations local municipalities have been restricted primarily to experimentation with the property tax. Of particular interest here is the application of real property tax exemption policy to land use development.

### a. General Appraisal of Fiscal Mercantilism

Recently, city planners and public finance officers have questioned the wisdom of fiscal mercantilism. It is debatable that such efforts actually maximize the fiscal status of the community. Certainly, land use decisions made for fiscal gain are not likely to result in efficient patterns of land use for the larger metropolitan area. The spectre of each municipality in a metropolitan area trying to maximize its own cost-revenue

combination with no concern for the externalities produced is a sufficient cause for concern.

Barnes, Ralph M. and George M. Raymond. "The Fiscal Approach to Land Use Planning." J.A.I.P., XXI (spring-summer 1955), 71-75.

These planners sharply criticize development policy that determines the suitability of a particular land use according to its ability to provide revenues to municipal coffers in excess of expenditures demanded. They suggest methods for improving research in an application of cost-revenue studies.

Bloom, Max R. "Fiscal Productivity and the Pure Theory of Urban Renewal." Papers and Proceedings, Regional Science Association, IX (1962), 201-212.

The author criticizes the application of oversimplified and mechanistic cost-revenue techniques for the purpose of measuring the impact of land use changes as a result of redevelopment. Improvement will be realized by applying a more inclusive cost-benefit methodology to a problem frame that treats the broader community rather than the narrower project site. While applied to urban renewal the conclusions are relevant for many other problems involving the evaluation of urban development alternatives.

Margolis, Julius. "Municipal Fiscal Structure in a Metropolitan Region." Journal of Political Economy, LXV (June 1957), 225-236.

One of several papers by Margolis based upon empirical fiscal research in the San Francisco Bay Area. He questions the minimization of the tax rate as a rational goal for city planning and suggests that cost-revenue studies of community land use do not provide sufficient understanding for policy formulation. Encouragement of industrial and commercial assessed valuation in suburban communities may increase taxes due to changes in residential land use and an expanded demand for public services.

_____. "On Municipal Land Policy for Fiscal Gains." National Tax Journal, IX (September 1956), 247-257.

This paper critically examines the assumptions underlying planning for fiscal gain and places particular emphasis upon the allocation of public costs among types of land use. It discusses the limitation of the gross average cost concept and recommends that a marginal cost concept replace it.

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Margolis, Julius. "Variations of Property Tax Rates within a Metropolian Region." N.T.J., IX (December 1956), 326-330.

Average tax loads were calculated for five types of city (central, balanced, dormitory, industrial enclave, and non-metropolitan) and the unincorporated remainder of counties in the San Francisco Bay Area. Surprisingly, balanced cities (those having a ratio of employment to resident labor force at approximately unity) and dormitory communities (those having an employment - resident labor force ratio below .75) had similar tax rates. Also, within-class variations in tax levies per 100 dollars true valuation was considerable for these two classes of municipality. These findings contribute to doubts about policies of deliberate industrialization in order to lower taxes.

*Netzer, Dick. Economics of the Property Tax. Washington, D.C.: Brookings Institute, 1966.

In a very brief subsection (Fiscal Mercantilism, pp. 131-132) in Chapter V Netzer forcefully summarizes the case against land use planning for fiscal gain in metropolitan areas. Local public officials are encouraged to employ fiscal zoning according to their understanding of which land use types "... pay for themselves." However their wise use and interpretation of a multitude of cost-revenue permutations is by no means assured. If the quest for efficiency of development in the local municipality is uncertain, efficiency at the broader metropolitan level appears elusive.

_____. "The Property Tax and Alternatives in Urban Development." Papers and Proceedings, R.S.A., IX (1962), 191-200.

The writer surveys the impact of the property tax upon land use but emphasizes the role of fiscal mercantilism in development decisions on the urban fringe and in the urban core. The "grotesque" notion that each taxing jurisdiction in the metropolitan area should be a balanced community with its own industrial park, shopping center and exclusive residential area is criticized for its disregard of and contribution to area-wide development problems.

Sacks, Seymour, and Alan K. Campbell. "The Fiscal Zoning Game. Municipal Finance, XXXVI (May 1964), 140-149.

This original article suggests that local fiscal officers, in failing to consider the inverse relationships of some revenue sources with tax base, may incur for their communities a net loss by engaging in "modest" fiscal zoning. Perhaps, where state aid exceeds locally generated revenues community officials should strive to maintain a low tax base.

Stiles, Lynn A. Financing Government in the Suburbs - The Role of the Property Tax. Proceedings of the Fifty-Third Annual Conference, National Tax Association (1960), 52-57.

An elegant statement questioning the wisdom of fiscal mercantilism.

_____. "Local Tax Structure and Metropolitan Area Land Use." Urban Land, XXII (January 1963), 1, 3-4.

Short of metropolitan consolidation the author advances the notion of "fiscal federalism" or even the replacement of the present system of ad valorem taxation by a structure of user charges as a solution to fiscal mercantilism among municipalities.

Tiebout, Charles M. "A Pure Theory of Local Expenditures." Journal of Political Economy, LXIV (October 1956), 416-424.

This imaginative theoretical paper attempts to evolve local government on the basis of a single criterion - minimization of the cost of local government -- thus providing a theoretical rationale for intermunicipal competition for low taxes and high service levels.

Wheaton, William L. C. "Metro-Allocation Planning." J.A.I.P., XXXIII (March 1967), 103-107.

As part of a larger purpose of reformulating metropolitan planning the author suggests that a metropolitan plan should be a device that allows freedom of choice for individual municipalities. It would redress fiscal imbalances -- such as those that might develop through fiscal mercantilism -- by levying charges and awarding equalization payments in accordance with the spillover costs of local development.

Wood, Robert C. 1400 Governments: The Political Economy of The New York Metropolitan Region. Cambridge, Massachusetts: Harvard University Press, 1961.

Chapter III, "Responses Of The Local Governments" provides a useful description of the pursuit of fiscal mercantilism by suburban communities in the New York Metropolitan Area.

Wuster, Catherine Bauer. "Redevelopment: A Misfit in the Fifties," in The Future of Cities and Urban Redevelopment. Edited by Coleman Woodbury, Chicago: University of Chicago Press, 1953.

Central city redevelopment is described as a means for bolstering "waning property values" and bringing in new taxable valuation. As such the program is a suitable device for pursuing fiscal mercantilistic objectives.

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b. Measurement of Fiscal Gain

Planning for fiscal gain draws empirical support from a family of measurement techniques called cost-revenue analysis. This analysis attempts to measure the net cost to government of providing municipal services to a specific piece of land. The net cost is the difference between government expenditure in the area and public revenues generated by the area. While cost-revenue or fiscal productivity methods have been applied to the evaluation of the equity of current fiscal policies, the economic soundness of governmental reorganization, and the capital budgeting for public services and facilities, we are concerned here with its employment in land use planning decision making. The questions "How can land be developed to best minimize public expenditures?" or "What are the costs and revenues associated with various alternative redevelopment proposals?" exemplify the nature of the technique's application.

While there has been a general criticism of cost-revenue analysis in the past, the method has come under specific attack in the land use planning and decision making area. Techniques derived from operations research and systems analysis -- such as cost-benefit and sensitivity analysis -- have been promoted recently.

*Bonner, Ernest R. "The Economic Impact of a University on its Local Community." J.A.I.P., XXXIV (September 1968), 339-343.

An input-output framework is employed to determine the economic impact and to specify in detail the dimensions of this impact, of a university upon the local community. The study proves that revenues made available indirectly to the municipality by a tax exempt facility via the private sector may well be more important than revenues gained by the municipality through direct taxation of this facility.

Del Guidice, Dominic. "Cost-Revenue Implications of High-Rise Apartments." Urban Land, XXII (February 1963), 1, 3-5.

This conventional cost-revenue analysis demonstrates that each high-rise apartment unit in a Stamford, Connecticut sample produces an average educationally allocable revenue surplus of 33 dollars. This is explained by the lower demand for educational services by apartment dwellers compared to single family residences.

Friend, J. K. and W. N. Jessop. Local Government and Strategic Choice: An Operational Research Approach To The Process of Public Planning. Beverly Hills, California: Sage Publications, 1969.

The fiscal productivity goal is examined as one of several decision criteria for shaping community development. Such recent evaluative techniques as sensitivity analysis and risk analysis are demonstrated together with cost-benefit and cost-effectiveness analysis.

Isard, Walter and Robert Coughlin. Municipal Costs and Revenues Resulting From Community Growth. Wellesley, Massachusetts: Chandler-Davis Publishing Co., 1957.

This study is a major attempt to advance the cost-revenue methodology. Designed particularly to assist small communities on the periphery of larger central cities, the researchers propose a "building block" technique to determine if industrial growth "leads to a decrease or increase in the general community tax rate." The research design is marred by certain unrealistic assumptions including an inadequate treatment of the revenue side of the ledger. They make the significant statement that differences in municipal costs among communities or alternative developments within a single community result more from "differences in the level of municipal services provided" than from differences in density and pattern of development."

Litchfield, Nathaniel. "Cost-Benefit Analysis in City Planning." J.A.I.P., XXVI (November 1960), 272-279.

In its early introduction to the planning literature cost-benefit analysis is recommended as a useful technique for evaluating the utility of alternate planning proposals. Some of the difficulties encountered in applying the technique to planning proposals are anticipated.

_____. "Cost-Benefit Analysis in Urban Development - A Case Study: Swanley." Papers, R.S.A., XVI (1965), 129-153.

This is a summary of the author's "planning balance sheet" framework for cost-benefit analysis in urban renewal. The repercussions of urban renewal are traced as costs and benefits of various affected groups -- producer/operators and consumers -- in the community. Intangibles are represented by a set of scripts and subscripts and are treated algebraically to indicate relative magnitudes.

Mace, Ruth L. Municipal Cost-Revenue Research in the United States: A Critical Survey of Research to Measure Municipal Costs and Revenues in Relation to Land Uses and Areas: 1933-1960. Chapel Hill, North Carolina: Institute of Government, University of North Carolina, 1961.

A comprehensive review, summary, and critique of cost-revenue literature during this twenty-seven year period. Methodological criticisms are particularly incisive. This is essential reading for anyone pursuing the fiscal-mercantilism theme.

Mace, Ruth L. and Warren J. Wicker. "Do Single - Family Homes Pay Their Way?": A Comparative Analysis of Costs and Revenues for Public Service. (Research Monography 15.) Washington, D.C.: Urban Land Institute, 1968.

This study demonstrates for the three areas studied that single-family homes do produce a surplus of revenues over costs. The cost-benefit status of single-family homes in other areas will depend upon (1) the extent to which the developer bears the initial capital cost of public improvements; and (2) the extent to which the operating costs of public services are met from local rather than state revenues. It is suggested that community leaders concerned with the potential tax burden to the community of new residential housing would better direct their efforts toward fiscal reform (local and state levels) then through negative efforts to discourage sound residential development.

Mao, James C. T. Efficiency in Public Urban Renewal Expenditures Through Benefit-Cost Analysis." J.A.I.P., XXXII (March 1966), 95-107.

In the first part of the paper a theoretical framework is developed for measuring the costs and benefits to society of an urban renewal project. This theoretical framework evolves from a consideration of four basic issues (1) the costs and benefits for society as a whole, (2) the proper criteria for ranking projects, (3) computation of the social cost of capital, and (4) the treatment of intangibles. The second part of the paper applies this framework to a residential slum clearance project in Stockton, California.

Massachusetts Department of Commerce and Massachusetts Institute of Technology, Urban and Regional Studies Section. The Effects of Large Lot Size on Residential Development. (Technical Bulletin 32.) Washington, D.C.: Urban Land Institute, 1958.

This is a case study for selected Boston suburbs of the public costs and revenues associated with the development of large lots (one or more acres). Among other conclusions it was determined that large lot zoning did not necessarily increase lot development costs nor community costs. The larger lots did not invariably provide increased per family tax revenues for the community.

Prest, A. R. and R. Turvey. "Cost-Benefit Analysis: A Survey." The Economic Journal, LXXV (December 1965), 683-735.

The most complete review of the subject -- including its theory and application -- in print. An extensive bibliography is included.

Sternlieb, George. "Garden Apartment Development: A Municipal Cost-Revenue Analysis." Urban Land, XXIII, (September 1964), 1, 3-7.

A summary of the methodology and empirical results of a study designed to compare tax revenues generated by a garden apartment development with the cost of educating the children of its tenants. This New Jersey example indicates that the cost-revenue ratio can be kept favorable to the municipalities if the total size of the development is kept under 400 units, per room rents are high, and three or more bedroom units are avoided.

Wheaton, William L. C. "Applications of Cost-Revenue Studies to Fringe Areas." J.A.I.P., XXV (November 1959), 170-174.

The author identifies three major applications of cost-revenue analysis for fringe areas. They are residential exclusion uses, industrial balance uses, and annexation uses. He criticizes these studies for their methodological weaknesses and conceptual errors. It is suggested that marginal cost theory is more realistic than average cost theory. Most studies disregard non-property tax revenues and grants-in-aid. Arbitrary allocation of costs to residential properties ignores the community responsibility of industry and commerce. Finally, the time dimension is ignored when capital outlays are amortized in a period less than the useful life of the facility. Also, service demands of residents and industry vary widely over their life span.

Wheaton, William L. C., and Morton J. Schussheim. The Cost of Municipal Services in Residential Areas. Washington, D.C.: U. S. Government Printing Office, 1955.

Although this study treats only the cost side of the cost-revenue equation it makes a fresh attempt at methodological improvement.

c. Urban-Suburban Exploitation Hypothesis

The problem of inadequate tax resources continues to be identified as a city, and more often as not a large city, problem. For central cities in large metropolitan areas the fiscal bind frequently has been cast in the form of the familiar urban-suburban exploitation hypothesis. This hypothesis identifies the cost of government in the central city to be directly proportional to the size of the suburban population. Presumably, the central city is forced to maintain a wide range of public facilities and services that

are used by suburbanites as well as city dwellers.

It will be seen later that property tax exemptions have become part of the urban-suburban exploitation hypothesis. Here, it is appropriate to examine briefly the evolution and validity of the hypothesis.

Advisory Commission on Intergovernmental Relations. Metropolitan Fiscal Disparities. Vol. II of Fiscal Balance in the American Federal System. Washington, D.C.: Government Printing Office, 1967.

In this report on a detailed fiscal disparities analysis for the thirty-seven largest SMSA central cities and their peripheral suburbs there is some evidence to support the exploitation hypothesis. Findings indicate that "high cost" citizens are concentrating in the central cities. At the same time central city tax resources are increasing at a decreasing rate due to the exodus of the middle and high income family and business firm to suburbia. The presence of "high cost" citizens, greater population densities, and the need to service commuters from the suburbs usually requires the central cities to spend more than their suburban neighbors.

Bahl, Roy W. Metropolitan City Expenditures: A Comparative Analysis. Lexington: University of Kentucky Press, 1969.

In an effort to construct a model of metropolitan city expenditures the researcher examines the suburban fringe or contact population as one of a number of explanatory variables. He "tentatively" accepts this contact population as a determinant of per capita central city expenditures but points out that it may be difficult to separate the influence of a large proportion of non-residential users and the level of non-property and non-residential property tax base as determinants of municipal expenditures.

Brazer, Harvey E. City Expenditures in the United States. New York: National Bureau of Economic Research, 1959.

In his influential "determinants" study the author demonstrated for forty large metropolitan areas that an inverse relationship existed between the proportion of metropolitan population located in the central city and the central city per capita expenditure. This finding reinforced Hawley's earlier work.

Campbell, Alan K., and Seymour Sacks. Metropolitan America: Fiscal Patterns and Governmental Systems. New York: The Free Press, 1967.

This work indicates that the earlier description of the exploitation hypothesis by Hawley and Brazer is too simplistic in the light of more recent census data. The hypothesis becomes more acceptable if qualifications concerning central city size, economic base, revenue sources, and regional location are also considered.

Hawley, Amos H. "Metropolitan Population and Municipal Government Expenditures in Central Cities." Journal of Social Issues, VII (Nos. 1 and 2, 1951), 100-108.

In this early effort to empirically test the exploitation hypothesis the researcher demonstrates "that per capita costs of government" for the central city population "are more closely related to population living outside the city . . . than with the population occupying the city . . . ."

Wilensky, Gail. "Determinants of Local Government Expenditures." Financing The Metropolis: Public Policy in Urban Economies. Edited by John P. Crecine. Beverly Hills, California: Sage Publications, 1970.

In a section entitled "Exploitation" the writer describes suburban exploitation of central city. As commuters, shoppers and recreators suburbanites create costs in terms of roads, traffic control, police protection and subsidized transportation systems. On the other hand they contribute to the city's revenues through payment of various non-property taxes and charges collected in the city. A more insidious cost results from the concentration of the metropolitan area's poor in the central city in part due to discriminatory practices of suburban communities. Several research themes are suggested.

## III. The Real Property Tax Exemption

A property tax exemption may be considered as that which is part of the subject matter of a property tax law, but which is removed from taxation by explicit provision of statute or constitution. There is an important distinction between an exemption and an exclusion, the latter being an item that is not a part of other items described by statute or constitution. A more encompassing definition of property tax exemption includes all property excluded, explicitly or implicitly, from a property tax law. In the implicit case -- for a law that treats only realty -- personality would be considered an exemption. The first definition of exemptions is employed in this bibliography.

The property tax exemption is characterized by a great variation in its application within the United States. It may be determined on the basis of the type of property, use to which it is put and length of time it supports that use, identity of owner, identity of use, and numerous combinations of type, owner, and use. The administration of the exemption is as varied from state to state as is the general property tax. In its availability and reliability real property tax exemption data is equally varied. This diversity of character will be examined here.

### a. The Legal and Administrative Framework

The history and present pattern of exemptions are unique for each state: they are the product of the interaction of separate and distinct sets of constitutional, legislative, and administrative developments. These developments have occurred in response to the particular felt needs of legislatures and citizens of the several states.

It is not the purpose here to depict in any comprehensive way the range of legal and administrative structures that have evolved in the nation. Such an objective would be impossible within the scope of this bibliography. Yet

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in order to appreciate the exemption phenomenon it is necessary to consider its temporal development. By focusing upon the sources for one State -- New York -- continuity is maintained.

McCulloch, V. Maryland, 17 U. S. 579 (1819).

> In this milestone Supreme Court decision the doctrine of federal immunity is soundly established. The federal government as a sovereign power cannot be taxed by the states.

McKinney's Consolidated Laws of New York Annotated, Book 49A, Real Property Tax Law. Brooklyn, New York: Edward Thompson Co., 1960.

> This is the primary statutory reference to real property tax law in New York State. Separate sections deal with the legal interpretation of exemptions and their administration. This type of information is available for each state in the appropriate collection of annotated revised statutes or consolidated laws.

New York State. Constitution.

> State constitutions vary widely in the degree to which they treat property tax exemptions. Some constitutions make no reference to the subject, leaving legislatures free under their general powers to grant, alter, and revoke special exemption laws. Other constitutions treat exemptions in detail and at length, enumerating those that may or shall be granted by the legislature and barring any others not enumerated in the constitution. A third group of constitutions makes a general statement regarding exemptions and specifies a few mandates and restrictions applicable to the legislature. The New York Constitution, originally silent on the subject of exemptions, is one of the third group directing a minimum of mandates or restrictions to the legislature.

b. Classes of Exemption

As suggested in the introduction to section III exemptions may be classified in a number of ways to facilitate discussion and study. Four general classes of property tax exemption identified here are instructive if not exhaustive. These include exemptions that provide a minimum of subsistence, protect public property, subsidize private agencies providing public services, and encourage activities considered desirable to society.

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Another frequently employed classification system distinguishes publically-owned exempt property from privately-owned exempt property.

A third classification system separates real property that is wholly exempt from real property that is partially exempt. All classes of public property and most classes of private property are wholly exempt. The homestead and veteran partial exemptions account for most of the assessed value of partially-exempt property in the United States.

The references cited below, and grouped according to their general or topical treatment of the subject, are merely representative of the vast descriptive literature.

1. General Sources

*Advisory Commission on Intergovernmental Relations. The Role of the States in Strengthening the Property Tax. 2 Vols. Washington, D.C.: Government Printing Office, 1963.

Chapter 8 in Volume I presents a critical review of the growth in property tax exemptions and the affect of this upon taxation policy.

Carbert, Leslie E. "Property Tax Exemptions as a Tool of Planning." Proceedings of the Fifty-Eighth Annual Conference, National Tax Association, 1965.

He reviews various objectives for property tax exemptions and concludes that exemptions can serve as a useful planning tool only if ". . . a clear set of priorities has been established and only if it can be demonstrated that the response of the private sector is likely . . . to lead society toward these consensuses of goals." As a device that must be regulated at the state level and is applied to a pluralistic society exhibiting a variety of goals, the property tax exemption policy would appear to be ". . . a very crude tool for planning. . ." producing a ". . . very uncertain product."

*Citizens Budget Commission, Inc. Real Estate Tax Exemption in New York City: A Design for Reform. New York: Citizens Budget Commission, Inc., 1967.

This is an extremely thorough examination of property tax exemptions in a city where exemptions appear to create hardships for local government.

Hardy, Gerald N. Tax-Exempt Real Property." Current Problems and Alternatives in Financing Pennsylvania Governments: 1960-1970. Edited by William R. Monate. University Park, Pennsylvania: Pennsylvania State University, Institute of Public Administration, 1962.

This article and accompanying articles in the volume provide references to useful unpublished papers on the subject.

Huhtanen, Robert J. "Growth of Tax Exempt Property in Worcester, Massachusetts, 1943-1959." Unpublished M.A. thesis, Clark University, 1962.

There are few studies that attempt to describe the areal growth and location of tax exempt land. This case study does that. Author insists that area and location of tax exempt site within city are key factors in determining the importance of the exemption.

Martin, James W. "General Theory of Tax Exemption." Tax Exemptions, Symposium Volume. New York: Tax Policy League, Inc., 1939.

As one of several interesting papers delivered at this tax exemption symposium, it attempts to clarify the subject by carefully defining the language and developing a useful classification systems.

Newcomer, Mabel. "The Growth of Property Tax Exemptions." N.T.J., VI (June 1953), 116-128.

Dr. Newcomer's article provides an informative summary of property tax exemption trends in the United States.

Norbert, Walter J. Exemption of Property from Local Taxation in Delaware: A Study of New Castle County, Delaware. Dover, Delaware: By the Author, 1960.

A useful example of a detailed examination of tax exemption policy and its quantitative fiscal implications for one local government.

O'Bannon, Joan E. "Payments from Tax-Exempt Property." Property Taxation - U.S.A. Edited by Richard W. Lindholm. Madison: University of Wisconsin Press, 1967.

Dr. O'Bannon examines substitute payments made to governments on public and private tax exempt property. These substitute payments are compared with potential tax revenues.

Walker, Mabel. "Increasing Clamor for Property Tax Exemptions." Tax Policy, XXXI (October 1964), 3-16.

The author reviews the spread of the property tax exemption base from "traditional" exemptions to "newer types of exemptions" and "new variations in the traditional types." Recommendations are suggested for constraining the future spread of the tax exempt portion of the tax base.

2. Topical Sources

Advisory Commission on Intergovernmental Relations. State and Local Taxation of Privately Owned Property Located on Federal Areas. Washington, D.C.: Government Printing Office, 1961.

The problem of private property located on Federal land is judged by the Commission to involve a principle rather than a ". . . potentially large material gain or loss." The principle of equal tax treatment of similar properties is violated here. The Commission recommends that Congress, States, and Federal and State executive bodies work for legislation that will give States legislative jurisdiction (thus the power to tax private property) over Government owned property.

Behrens, John O. "Property Tax Exemptions for Veterans." Municipal Finance, XXXII (February 1960), 122-129.

Provides data for tax losses through the veterans exemption by county in California.

Chen, Yung-Ping. "Present Status and Fiscal Significance of Property Tax Exemptions for the Aged." N.T.J., XVIII (June 1965), 162-174.

The author reviews the nature of property tax concessions to the aged in six states and discusses eligibility requirements--income and exemption limitations. In evaluating the fiscal importance of this exemption he concludes that even a small revenue loss is "significant" because it represents an extended use of the exemption method as a policy instrument.

Dean, Herbert G. "An Investigation into the Effectiveness of Tax Exemptions as a Means of Attracting Manufacturing Establishments and Some of Their Implications as a Part of Community Development Programs. Unpublished M.R.P. thesis, University of North Carolina, Chapel Hill, 1959.

This thesis presents an excellent discussion of the use of tax exemptions as a device for attracting industry. An historical review and evaluation of effectiveness of industrial tax incentives are included.

*Heilbrun, James. Real Estate Taxes and Urban Housing. New York: Columbia University Press, 1966.

Of the seven forms of real estate tax examined for their ability to improve the quality of urban housing the author favors tax abatement. He then compares this form of exemption with a tax abatement in combination with the existing property tax and a capital value tax (exemption of all improvements).

House, Peter. "Partial Tax Exemption for Farmland Properties in the Rural-Urban Fringe." The Appraisal Journal, XXXVI (July 1968), 393-407.

Land speculation on the rural-urban fringe and the resulting increased tax burdens for nearby operating farms as a result of land value increases has been identified as a major contributor to the premature abandonment of farm land. The author examines Maryland's experience with an agricultural use-value tax that provides a partial tax exemption for land under active farm use. He concludes that the Maryland experiment with preferential assessment was costly because of potential taxes lost and he suggests other methods for achieving the desired objectives.

Kendrick, M. Slade. "Property Tax Exemptions and Exemption Policies." Proceedings of the Fiftieth Annual Conference, National Tax Association. 1959.

Includes a useful discussion of various tax exempt private properties.

Kilpatrick, Wylie. "Homestead Exemption Reexamined." Municipal Finance, XXXII (February 1960), 114-121.

An examination of the homestead exemption in tax states with an evaluation of this exemption's influence upon home ownership.

*Larson, Martin A. Church Wealth and Business Income. New York: Philosophical Library, 1965.

After examining the value of tax exempt religious property in a sample of large cities Dr. Larson estimates, by extrapolation, that 569 billion dollars of religious real estate is exempt from the general property tax in the United States. His description of the range of exempt properties owned by churches in the various cities of the sample is particularly interesting.

Stocker, Frederick D. "Property Tax Exemptions for Farmers and the Aged." The Property Tax: Problems and Potentials. Princeton: Tax Institute of America, 1967.

A lucid evaluation of property tax exemptions for farmers and the aged in which the author identifies similarities between the two groups. He rejects the doctrinaire viewpoint of critics of exemptions and suggests a pragmatic evaluation of these exemptions' probable consequences rather than their violation of general principles of taxation.

IV. The Real Property Tax Exemption Debate

After years of neglect the property tax exemption has surfaced in the spotlight of national and local debate. The question is asked repeatedly: Are real property tax exemptions performing satisfactorily the job for which they were intended? Many who have examined the question believe that exemptions have not done so.

The debate concerning real property tax exemptions can be limited to three basic contentions even though a proliferation of special arguments have appeared in the literature. The three arguments concern: (1) administrative expediency, (2) recognition of service, and (3) cost.

Supporters of exemptions suggest that government--for administrative expediency--should not tax itself. Opponents argue that it is improper to view government according to a single balance sheet that reflects all administrative costs and benefits for all government jurisdictions. They direct attention to the complex, overlapping nature of government units and suggest that governments are encouraged to export exemption costs to other jurisdictions. Jurisdictions at the lowest level and with the narrowest tax base are especially vulnerable.

The administrative expediency argument is bolstered by those who view exemptions as a convenient way of providing public support annually without the need for legislative debate. Opponents see exemptions as an indirect subsidy that is perpetuated in isolation from public scrutiny.

Proponents of exemptions, advancing the recognition of service argument, point out that many functions carried out by private agencies either substitute for government activity or enrich citizens beyond a level provided by government. If these agencies did not exist, government--more than likely--would feel compelled to assume these responsibilities. Opponents suggest that private agencies should not be entitled to a subsidy because they assist the public sector. This subsidy should be based upon the quality and quantity

of this assistance by a majority of taxpayers.

The third class of exemption argument and the taxpayer, is of fundamental significance not only because it is compelling in its own right but also because it influences those who support or attack exemptions on non-economic grounds. It is the cost argument that provides a rationale for a fiscal mercantilistic approach to planning for exempt land uses. Thus the cost argument is of foremost concern here.

Proponents of exemption policy claim that it results in little or no cost to the community. Additional tax revenues gained through taxing exempt properties would be minimal because the cost of exempt services would be increased or shifted to others. Opponents of exemptions insist that exemption policy results in a significant cost for the community and its taxpayers. Exemptions narrow the tax base and thereby increase the tax load on owners of taxable property. The imposition of additional exemptions upon a community can be associated with additional demands of government upon the remaining taxable property. They suggest that the present pressures experienced by local government for additional tax sources is directly attributable to the failure of the taxable real property tax base to expand more rapidly than the exempt real property tax base. This problem is accentuated in a multi-level system of government where the proportion of tax exempt property to taxable property varies widely from municipality to municipality, thus creating disproportionate burdens among local communities. Finally, the real cost of tax exemptions is reflected in those services which the community cannot provide because the necessary funds are lost through tax exemptions.

a. Exemptions: The Rhetoric of Debate

The current debate over the cost of property tax exemptions to local government is both highly emotional and intractable. Both supporters and detractors of exemptions have failed to define their positions clearly and

there has been little inclination to clarify the language of debate. Moreover the participants of this debate can be faulted for their disinterest in or unwillingness to operate within the framework of hard, testable, empirically-derived data.

This section will look at literature that is representative of this debate. Because a large part of the existing literature tends to be critical of exemptions statements opposing the property tax exemption predominate.

1. Cost of Exemptions

*Advisory Commission on Intergovernmental Relations. The Role of the States in Strengthening the Property Tax. Vol. 1. Washington, D.C.: Government Printing Office, 1963.

In scathing terms the property tax exemption is damned for ". . . narrowing the property tax base. . ." and for placing " . . . heavier burdens on those still required to pay...."

Elison, Larry M. The Finances of Metropolitan Areas. Ann Arbor: University of Michigan Law School, 1964.

Examples of government owned property are described in terms of property tax losses to local governments and resulting higher taxes applied to taxable property.

MacFadden, Edith Hamilton. The Next Question. Cambridge, Massachusetts: The Author, 1927.

A classic example of the "post hoc" fallacy that reasons thus: Because there is a high ratio of exempt property to taxable property and because tax rates are becoming higher, exemptions therefore cause high taxes.

Meyers, Harold B. "Tax-Exempt Property: Another Crushing Burden for the Cities." Fortune, LXXIX (May 1969), 76-79, 112, 114.

The article clearly links the property tax exemption to the central city-suburban exploitation hypothesis. Milwaukee and Pittsburgh are presented as examples of legal warfare conducted between city and suburban government administrations with the objective being to bar expansion of tax exempt land uses and the associated tax burden.

Myers, Will S., Jr. "General Appraisal of the Effect of Exemptions on Tax Base." The Property Tax: Problems and Potentials. Princeton: Tax Institute of America, 1967.

A thoughtful statement that considers the impact of tax exemptions upon a) the tax base, b) property tax administration, and c) the property tax concept. While the writer concludes that property tax exemptions create a ". . . sizable reduction in the tax base. . ." he suggests that the cost in revenues foregone and the benefits derived are not distributed according to reduction in the community's tax base.

New York State. Governing Urban Areas: Realism and Reform. The 1967 Report of the Joint Legislative Committee on Metropolitan and Regional Areas Study. Legislative Document No. 42. March 31, 1967.

This is of particular interest because if represents the views of a growing number of state legislators throughout the nation. In a section dealing with exemptions the Report concludes that ". . . the fiscal problems of metropolitan areas. . . are inextricably bound up with the increasingly severe fiscal plight of growth of tax-exempt properties." Solution to the fiscal plight of cities is dependent upon resolution of the tax exemption problem.

Pickard, Jerome P. Changing Urban Land Uses as Affected by Taxation. (Research Monograph 6.) Washington, D.C.: Urban Land Institute, 1962.

This report states that property tax exemptions appear to have constrained the tax base and increased taxes. Because exempt land uses have tended to concentrate in central cities it is necessary to redistribute this burden to suburban communities where the ability to support tax exemptions is greater.

Westmeyer, Troy R., ed. "Tax Exemptions Protested." National Civic Review, LI (December 1962), 635.

Reports on the attempt of the Florham Park, N.J. Council to halt the shift of taxable land to tax exempt status (with the associated increased burden on taxpayers) by adopting an ordinance that would block construction of buildings for philanthropic or charitable uses.

Winter, William O. "Tax Exemption of Institutional Property." Municipal Finance, XXXII (February 1960), 143-148.

Relates growth of tax exempt institutional property to consequent reduction of property tax base.

4. Exemptions Acquitted

Carroll, John J. and Seymour Sacks. "The Property Tax Base and the Pattern of Local Government Expenditures: The Influence of Industry." Papers and Proceedings, R.S.A., IX (1962), 173-189.

They comment that "exempt property poses a problem only in jurisdictions where it is relatively large." even though exemptions are ". . . an interesting general issue. . ."

Hurtt, Spencer M. "The Impact of Institutional Growth on Urban Land Use." Urban Land, XXVII (January 1968), 3-10.

He cautions municipal officials to view tax exempt institutional land from a more balanced point of view. Institutions such as universities often own considerable amounts of taxable land in the community. While it is difficult to evaluate other benefits such as institutional purchasing power, jobs, new construction, new business, and cultural and social advantages these must be included in a fair evaluation. He adds that there are few communities that do not benefit more from their institutions than they lose in tax revenues.

*Jensen, Jens. Property Taxation in the U.S. Chicago: University of Chicago Press, 1931.

Chapter V reviews the property tax exemption. Based upon an analysis by a Special Joint Committee on Taxation and Retrenchment in New York, he concurs that there is little or no evidence to point to a significant relationship between taxes and exemption levels.

Neufeld, Ernest. "Is Tax Exempt Property a Municipal Asset?" N.T.J., XVIII (December 1965), 415-418.

The author is unsure. He does recognize the potential of government buildings, parks, and other exempt property to create value via secondary improvements in value for taxable property. However he regrets that tax exempt property cannot be included with taxable property as the base for calculating municipal debt and tax limits.

New York State. Department of Audit and Control. 1959 Tax Atlas of New York State. Comptroller's Studies in Local Finance No. 2. Albany: Department of Audit and Control, 1961.

In summarizing their brief discussion on the subject the authors conclude that ". . . the incidence of exemptions varies substantially from one area to another, but, except in infrequent situations, exemptions are not important causes of tax rate variations."

Schaller, Lyle E. "Tax-Exempt Property." Mayor & Manager, (November/December 1969), 12-17.

> The writer believes that those who criticize exemptions fail to consider the benefits provided and the possible costs to the community if patterns of ownership of exempt property are disrupted by the shift to taxable status. He claims that the tax exemption debate is a red herring that obscures the real issue: the need to find better means for financing municipal government.

b. Measuring the Fiscal Impact of Exemptions

Few studies have actually attempted to measure the fiscal impact of the property tax exemption upon the community. No doubt this reluctance is due to the difficulty in obtaining adequate data, the lack of suitable techniques for examining these relationships, and the general absence of motivation that pervaded the entire property tax field.

For the most part variants of one methodology have been employed to explore the relationship of exemptions and community fiscal health. With this methodology potential tax revenue from exempt property is estimated and this potential revenue is identified as an actual revenue loss to government and thus a burden shifted to the taxpayer. The deficiencies in this ex post facto methodology are substantial. Having assumed the taxable status of exempt property the examiner seldom takes into consideration the resulting burdens of alternate forms of financial support of this formerly-exempt property.

Another variant assumes that taxable property replaces tax exempt property and a simple cost-revenue calculation compares the tax yield of a taxable use with the zero tax yield of an exempt use. Without considering the attendant public costs of various potential taxable land uses this approach can be faulted for its oversimplified view of fiscal dynamics. It would appear that more sophisticated techniques such as cost benefit analysis and sensitivity analysis are better able to cope with indirect and secondary fiscal affects of alternative land use combinations.

Several other methodologies having analytical potential will be described below.

*Bonner, Ernest R. "The Economic Impact of a University on its Local Community." J.A.I.P., XXXIV (September 1968), 339-343.

As noted in section IIb an input-output framework is employed to determine the economic impact of a university upon the local community.

*Citizens Budget Commission, Inc. Real Estate Tax Exemption in New York City: A Design for Reform. New York: Citizens Budget Commission, Inc., 1967.

The researchers calculate the monetary cost of tax exemptions to New York City by multiplying ". . . the assessed value of all exempt property by the city-wide basic real estate tax rate. . ." Even if the methodology is suspect the report is still valuable because of its thoroughness and the relatively good data employed.

Kitchen, James W., and W. S. Hendon. "Land Values Adjacent to an Urban Neighborhood Park." Land Economics, XLIII (August 1967), 357-360.

Multiple regression is employed to identify determinants of land values adjacent to an urban neighborhood park.

Klink, Walter J. "A Study of Real Estate Tax Exemptions in the City of New York." Unpublished M.A. thesis, Stonier Graduate School of Banking, Rutgers University, 1962.

The author compares historical trends in the tax exempt and taxable portions of total assessed valuation and then measures these trends against trends for revenues (by source) and expenditures in New York City. He concludes that property tax exemptions have not adversely affected the values of taxable real estate. While his methodology is weak and indeterminate the assembled data and text is of interest.

*Larson, Martin A. Church Wealth and Business Income. New York: Philosophical Library, 1965.

Exempt property is given a taxable value and this value is treated as a revenue loss to the municipality. Of special interest are the heroic, if questionable, methods employed to calculate proxy values.

Martin, Larry R. G. "An Examination of the Real Property Tax Exemption and Its Relationship to Local Government Revenues in New York State." Unpublished Ph.D. dissertation, Syracuse University, 1970.

In a completely different approach to this problem a set of static and dynamic multiple regression and correlation tax models were constructed for the system of 62 cities in New York State and 20 minor civil divisions in Onondaga County in Upstate New York. Together with other independent variables property tax exemptions were tested for their ability to explain variance in dependent variables measuring tax rates and tax levies. No conclusive evidence of a statistically significant relationship between property tax exemptions and levels or changes in tax levies and tax rates was discovered.

Static and dynamic tax models were constructed for city and minor civil division samples exhibiting strong characteristics of fiscal stress. In some of these models levels and changes in exemptions were related significantly to levels and changes in tax rates thus lending support to the belief-at least in communities where conditions of fiscal stress are severe-that property tax exemptions do work against the continued ability of communities to generate public revenues through the property tax.

National Education Association. Committee on Tax Exemption and School Finance. Tax Losses From Property Tax Exemptions: A Pilot Study Based on the State of Michigan. National Education Association, March 1954.

Based upon questionnaire samples average tax exemption loads were calculated for a number of size classes of jurisdiction. Total assessed value of tax exempt property was computed for every county. These assessed valuations were equalized employing state-derived county equalization rates. "Average" over-all tax rates were used to calculate total and school tax losses by county. These losses were held as proof of the burdensome effect of exemptions upon the taxpayer.

Equalization and sampling procedures are open to question as is the use of "average" tax rates.

National Industrial Conference Board. Research Report No. 64. Tax Burdens and Exemptions. New York: National Industrial Conference Board, 1923.

An early but interesting attempt to measure tax burdens and exemptions.

New York State Educational Conferency Board. The Fiscal Structure for Education, by John W. Polley. Report on Study of the New York State School Support Formula, Staff Study No. 2. Albany, New York: New York State Educational Conference Board, 1969.

This report can be compared fruitfully with the National Education Association Study for another state cited above. Some parallels exist: for example the attempt to convert the assessed value of tax exempt property to full value.

New York State. Report of the Special Joint Committee on Taxation and Retrenchment. Tax Exemption in State of New York. Legislative Document No. 86. 1927.

This report was, for its time, and remains a remarkable effort to measure and evaluate the role of the real property tax exemption in local government finance. Bivariate frequency distributions were plotted with tax exempt property as a percentage of taxable property along the x-axis and "true" tax rates along the y-axis. As no linear scatter appeared in conformance with a hypothesized direct relationship between levels of exempt property and tax rates it was concluded that ". . . there is no relation between the amount of tax exempt property in a given city or town, and the cost of government or the local tax rate."

To further test their findings the Committee visited twenty-one municipalities exhibiting an inordinate amount of tax exempt property. They concluded that tax exemptions do not cause serious injustices and often create benefits in excess of costs.

Stober, William J. and Lawrence H. Falk. "Property Tax Exemption: An Inefficient Subsidy to Industry." N.T.J., XX(December 1967), 386-394.

The authors develop an efficiency criterion to determine the efficiency of the property tax exemption. This criterion is applied to the Louisiana industrial tax exemption program. Expressed as a ratio of the recipient's benefit to the community's cost absolute efficiency is assumed when the ratio is equal to or greater than unity. Present benefit or value to the recipient and present cost to the community are calculated by continuous discounting of future annual benefits and costs.

The property tax exemption is shown to be absolutely inefficient as applied to industry and relatively inefficient when compared to outright cash grants.

Tobin, Charles J.; W. E. Hannan, and L. L. Tolman. The Exemption from Taxation of Privately Owned Real Property Used for Religious, Charitable and Educational Purposes in New York State. Albany: By the Authors, 1934.

Reports the findings of a committee that explored in greater depth the field work of the N.Y.S. Special Joint Committee (reported above) in the twenty-one municipalities exhibiting large ratios of tax exempt to taxable assessed valuation. Considerable effort was devoted to making explicit the derived costs and benefits of particular tax exempt properties to the host communities. They concluded that there was no clear evidence to suggest that municipalities, with large exemption ratios, incur an excess of costs over benefits. In fact, they suggest that many communities appear to enjoy net benefits resulting from tax exempt facilities in their midst.

Wilkinson, Catherine A. "The Effects of Veterans' and Widows' Exemptions on Arizona Tax Rates with Recommended Legislation." Unpublished Ph.D. dissertation, Arizona State University, 1963.

Application of the standard methodological approach to two classes of partial exemption -- the veterans' and widows' exemptions. She concludes that the revenues foregone through exemption create an additional burden for taxpayers.

## V. Bibliographies on Property Tax Exemptions

To this writer's knowledge there are no bibliographies dealing exclusively with property tax exemptions. Several useful bibliographies on the property tax and public finanace contain sections on property tax exemptions. For the most part these research aids are neither annotated nor discriminating. In addition to the particular bibliographies below many of the materials cited throughout this Bibliography contain short lists of references.

Browning, Clyde E. "Land Value Taxation: Promises and Problems," J.A.I.P., XXIX (November 1963), 301-309.

A current review and bibliography of the recent land value taxation literature.

Bridges, Benjamin Jr. State and Local Inducements for Industry, Parts I and II." N.T.J., XVIII (March-June 1965), 1-14, 175-192.

A thorough review of state industrial inducement programs including tax concessions.

*Pickard, J. Changing Urban Land Uses as Affected by Taxation. (Research Monograph 6). Washington, D.C.: Urban Land Institute, 1962.

A number of other Research Monographs in the series have short bibliographies on property tax exemptions.

Tax Institute of America. The Property Tax: Problems and Potentials. Symposium Volume. Princeton, N.J.: Tax Institute of America, 1967.

An extensive bibliography covers the following topics: general and miscellaneous, aged, business uses of exempt property, homesteads, industrial incentives, urban fringe, and urban renewal.

_____. Tax Institute Bookshelf. Princeton, N.J.: Tax Institute of American, semiannual.

This bibliography covers all aspects of taxation under a detailed topic classification.

Tax Policy League, Inc. (Now Tax Institute of America). Tax Exemptions. Symposium Volume. New York: Tax Policy League, Inc., 1939.

Many references are scattered throughout this 237 page volume.

U. S. Department of Housing and Urban Development. Open Space Land Planning and Taxation: A Selected Bibliography. Washington, D.C.: Government Printing Office, 1967.

An extremely useful, annotated bibliography that places taxation in a planning setting. There are a number of references to property tax problems including the deferred taxation and land value taxation themes.

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